

State Dept. review
completed

25X1

MORI/CDF per
C03316184.

CENTRAL INTELLIGENCE AGENCY
12 October 1973

INTELLIGENCE MEMORANDUM

MIDDLE EAST
(Situation Report Number 27
As of 1200 EDT)

THE MILITARY SITUATION

GENERAL

1. A Syrian attack that began this morning in the southern sector of the Golan Heights continued into mid-afternoon. According to UN observation teams, the Syrian attack is being developed along the Qunaytirah-Meskine road with substantial Syrian air support. The Israelis are responding with both ground and air attacks. Tel Aviv claims that its forces in the northern sector of the Heights have advanced from six to twelve miles beyond the cease-fire line, but there is, as yet, no other evidence to support the Israeli assertion.

25X1

25X1

1

3. Israel claims to have destroyed more than 200 aircraft thus far, including 26 Syrian fighters shot down today alone. Damascus has been much more willing to commit its air force to battle than Cairo. Israel has lost some 100 aircraft thus far.

THE SYRIAN FRONT

4. Heavy air and ground activity resumed early this morning in the Golan Heights area and continued through midday. UN observers report that the Syrians were attacking in the southern sector of the Heights along the Qunaytirah-Meskine road following air strikes in the area. Israeli pilots reported "heavy concentrations" of Syrian troops in the vicinity of the road. The observers stated that Israeli activity on the front by contrast was "light" this morning.

5. Both sides are making the usual claims and counterclaims of aircraft downed. Syria claims it shot down seven planes this morning, and Israel reports that it has downed 26 aircraft. Israeli aircraft attacked targets near Al Harrah in the southern sector and were warned of SAM's in the area. Air raid sirens also sounded again today in Damascus.

An Israeli afternoon newspaper claims that an entire Syrian division was destroyed yesterday in the Golan Heights fighting and many prisoners were taken.

THE EGYPTIAN FRONT

6. Activity on the canal front today seems to be limited to artillery exchanges and Israeli air strikes. Neither side is claiming any significant advances.


25X1



25X1



7. During the night, thirty Israeli aircraft attacked Al Hurgada airfield on the Gulf of Suez, across from the tip of the Sinai peninsula. The Israelis probably consider the airfield a priority target because of its association with chemical warfare.



25X1

25X1



25X1

25X1

SOVIET POLITICAL ACTIVITY

12. Moscow is taking some limited satisfaction from the Arab military performance. A Pravda commentator article today, which otherwise restated the Soviet position on the need for a political settlement on Arab terms, noted that Israeli "aggression" had met "strong resistance" from the Egyptians and Syrians, whose armies were "displaying courage and staunchness." Although this is Moscow's first significant reference to Arab fighting qualities, it does not overplay Arab military successes. A Soviet Admiral in Helsinki yesterday displayed satisfaction that the fighting was not as one-sided as in 1967 but nevertheless deprecated Arab fighting potential. He also voiced concern lest the outbreak of hostilities complicate US-USSR discussions on arms control and European security.

25X1

Page Denied

25X1

25X1

UNITED NATIONS

19. The Security Council remains deadlocked with members increasingly looking to the US, as the initiator of the session, to make some compromise proposal. Daily consultations on whether to hold a meeting--plans are indefinite again today--have become part of pressure on the US to act. The British observe that the US made itself "considerably unpopular in the UN" by the call for a return to 1967 lines. They take the Soviet failure to exploit this as an indication that detente is still operating in Middle East matters. The British have themselves been very active in peace efforts but they apparently have abandoned their pursuit of a cease-fire in the absence of any Security Council consensus.

20. Arab states still seem to prefer to delay UN action in the hope of gaining more favorable military positions.

25X1

25X1

ARAB MONEY

21. Reuters from Zurich reports that Swiss banking sources and London exchange dealers state that Arab oil-producing countries have begun to convert their large dollar reserves into other currencies. The move is being interpreted as a hedge against the possibility that the US will freeze Arab dollar holdings in the US should the oil-rich nations decide to use their petroleum muscle in the Middle East war.

22. The Arabs have been trying to reduce their dollar holdings for some time and the exchanges noted by European dealers may simply be normal financial activity. The dollar did strengthen today against most major European currencies.

Page Denied